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|| Counsel for Plaintiff

UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA

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Jurisdiction

1. Jurisdiction of this court arises under the Fair Debt Collection Practices Act, 15 U.S.C. § 1692k(d) and 28 U.S.C. § 1331, and supplemental jurisdiction exists for the state law claims pursuant to 28 U.S.C. § 1337.

Parties

2. The plaintiff, POVILAS KARCAUSKAS [“ Plaintiff” or “Mr. Karcauskas”] is a natural person and a resident within this district.

9 3. Defendant REGRESO FINANCIAL SERVICES LLC [“Regreso”] was,
10 at all times relevant to this complaint, a California company, the principal business
11 purpose of which is the collection of debts that were previously owed to another.

12 4. Defendant GOLDSMITH & HULL, APC [“G&H”] was, at all times
13 relevant to this complaint, an corporation, the principal business purpose of which is
14 the collection of debts owed to others.

15 5. Defendant WILLIAM I. GOLDSMITH [“Goldsmith”] was, at all times
16 relevant to this complaint, an individual debt collector, whose principal business is
17 the collection of debts owed to others.

18 6. The true names and capacities of the defendants sued herein as DOES
19 1-10, inclusive, are unknown to plaintiff, at the present time.

Facts Supporting Each Claim

22 7. Plaintiff Povilas Karcauskas received by U.S. Mail Defendants'
23 collection letter dated September 9, 2015 sent in an attempt to collect a debt allegedly
24 due Regreso, a copy of which is attached as Exhibit A.

25 8. Plaintiff received by U.S. Mail Defendants' "Application for Renewal
26 of Judgment" and "Memorandum of Costs After Judgment, Acknowledgment of
27 Credit, and Declaration of Accrued Interest" in the lawsuit Regreso Financial
28 Services v. Povilas Karcauskas which were file stamped by the Clerk of the Court for

1 the Superior Court of California on May 1, 2015. Copies of these Superior Court
2 filings by defendants are attached as Exhibits B and C, respectively.

3 9. Plaintiff received by U.S. Mail the defendants' "Notice of Renewal of
4 Judgment" in the lawsuit Regreso Financial Services v. Povilas Karcauskas which
5 was file stamped by the Clerk of the Court for the Superior Court of California on
6 May 1, 2015 and is attached as Exhibit D.

7 10. Several years ago Plaintiff had incurred a debt to Chase in a credit
8 transaction used by Mr. Karcauskas to purchase goods or services for personal,
9 family and household purposes.

10 11. Regreso acquired Plaintiff's alleged debt to Chase after it had gone into
11 default.

12 12. Regreso retained the services of Defendants G&H and Goldsmith to
13 collect Plaintiff's alleged Chase debt.

14 13. On April 2, 2015, the Secretary of State of the State of California
15 suspended Regreso.

16 14. Regreso remained suspended by the Secretary of State from April 2,
17 2015 until Regreso revived its legal status on July 15, 2015.

18 15. The California Court of Appeal, in *Timberline, Inc. v. Jaisinghami*, 64
19 Cal.Rptr.2d 4, 7; 54 Cal.App.4th 1361, 1367 (Cal. Ct. App. 1997) held that a
20 "corporation which was suspended . . . could not obtain renewal of judgment, even
21 though corporation was in good standing when judgment was originally entered." On
22 September 23, 2015, the Superior Court of California granted Plaintiff's motion to
23 vacate the renewal of judgment.

24 16. Though Plaintiff's counsel advised Defendants that the Renewal of
25 Judgment was defective and should be vacated, Defendants never withdrew their
26 Renewal of Judgment or Memorandum of Costs, never requested dismissal of the
27 collection case, and never filed a satisfaction of judgment in the collection case.

28

1 17. The California Court of Appeal, in *V & P Trading Co., Inc. v. United*
2 *Charter, LLC*, 151 Cal.Rptr.3d 146, 149-150; 212 Cal.App.4th 126,132 (Cal. Ct. App.
3 2012) stated:

4 Revenue and Taxation Code section 23301 provides that the
5 corporate powers, rights, and privileges of a domestic taxpayer may be
6 suspended if the corporation fails to pay certain taxes, penalties, or
7 interest. “A corporation which has been suspended pursuant to section
8 23301 is without capacity to prosecute a civil action while suspended.”
9 (*Welco Construction, Inc. v. Modulux, Inc.* (1975) 47 Cal.App.3d 69,
10 71, 120 Cal.Rptr. 572.) “Revenue and Taxations Code section 23305a
11 provides for a certificate of revivor upon appropriate application by a
12 corporation, and ‘Upon the issuance of such a certificate by the
13 Franchise Tax Board the taxpayer therein named shall become reinstated
14 but such reinstatement shall be without prejudice to any action, defense
15 or right which has accrued by reason of the original suspension....’ ”
16 (*Welco*, at p. 71, 120 Cal.Rptr. 572, italics omitted.)

17 18. In their collection letter, Exhibit A, Defendants represented that the case
18 as being styled “Chase Manhattan Bank v. Povilas Karcauska,” though there is no
19 such case filing. The collection case against Plaintiff is actually styled as “Regreso
20 Financial Services LLC v. Povilas Karcauska.” (See Exhibits B, C and D.)

21 19. Plaintiff was confused by Exhibit A.

22 20. In their collection letter, Exhibit A, Defendants represented that “an
23 employer must fully cooperate and follow the wage assignment as ordered by the
24 Court.” There was no wage assignment order in the case.

25 21. Defendants’ communications, contained in Exhibits A, B, C and D, are
26 each false, deceptive and misleading communications; a false and misleading means
27 concerning debt collection; that nonpayment may result in the garnishment or
28 attachment of the debtor’s wages; misstate the character, amount or legal status of an

1 alleged debt; are a false representation and deceptive means to collect a debt or obtain
2 information about a consumer; and constitute an unfair and unconscionable means to
3 collect or attempt to collect a debt.

4

5 Class Action Allegations

6 22. This matter is brought as a class action defined as:

7 a. (i) all persons having an address within the state of California (ii)
8 who were sent a communication from Defendants in the form of
9 Exhibits A, B, C, or D (iii) to recover a debt incurred for personal,
10 family, or household purposes (iv) due to Regreso (v) which was
11 not returned undelivered by the United States Postal Service (vi)
12 during the period of time from April 2, 2015 through July 14,
13 2015; and

14 b. (i) all persons having an address within the state of California (ii)
15 who were sent a communication from defendants G&H or
16 Goldsmith in the form of Exhibit A (iii) to recover a debt incurred
17 for personal, family, or household purposes (iv) allegedly due to
18 an entity which acquired the debt after default and which was not
19 identified in the communication (v) which was not returned
20 undelivered by the United States Postal Service (vi) during the
21 period of time one year prior to the filing of the Complaint
22 through the date of class certification.

23 23. The class is so numerous that joinder of all members is impractical.

24 24. There are questions of law and fact common to the class, which
25 predominate over any questions affecting only individual class members. The
26 principal issue is whether the defendants' communications violated the Fair Debt
27 Collection Practices Act, 15 U.S.C. §§ 1692, *et seq.* ("FDCPA") and the Rosenthal
28 Fair Debt Collection Practices Act, Cal. Civil Code § 1788.10, *et seq.* ("RFDCPA").

1 25. There are no individual questions, other than whether a class member
2 was sent a communication in the form of Exhibits A, B, C, or D which can be
3 determined by ministerial inspection of Defendants' records.

4 26. Plaintiff will fairly and adequately protect the interests of the class.

5 27. Plaintiff has retained counsel experienced in handling class claims and
6 claims involving unlawful collection practices.

7 28. The questions of law and fact common to the class predominate over any
8 issues involving only individual class members. The principal factual issue is
9 whether the defendants' communication in the form of Exhibits A, B, C, or D was
10 sent to the class member. The principal legal issue is whether Defendants'
11 communications in the form of Exhibits A, B, C, or D violated the FDCPA and
12 CA FDCPA.

13 29. Plaintiff's claims are typical of the claims of the class, which all arise
14 from the same operative acts and are based on the same legal theories.

15 30. A class action is a superior method for the fair and efficient adjudication
16 of this controversy. Class-wide damages are essential to induce Defendant to comply
17 with federal and state law. The interest of class members in individually controlling
18 the prosecution of separate claims against the defendants are small because the
19 maximum statutory damages in an individual FDCPA action is \$1,000.00.
20 Management of these class claims are likely to present significantly fewer difficulties
21 than those presented in many class actions, e.g., for securities fraud.

22 31. The nature of notice will be U.S. Mail to the proposed class members.

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CAUSES OF ACTION

COUNT 1

Against all defendants

Violating the Fair Debt Collection Practices Act

32. Paragraphs under the headings Parties, Facts Supporting Each Claim, and Class Allegations are incorporated by reference.

33. Plaintiff is a “consumer,” as defined at 15 U.S.C. § 1692a(3).

8 34. Defendants are each a “debt collector,” as defined at 15 U.S.C. §
9 1692a(6).

10 35. Defendants violated the FDCPA in the following ways:

- a. Violation of § 1692e by using a false, deceptive or misleading representation or means in connection with the collection of a debt.

b. Violation of § 1692e(2)(A) by making the false representation of the character, amount or legal status of a debt.

- c. Violation of § 1692e(5) by making a threat to take any action that cannot legally be taken.

- d. Violation of § 1692e(10) by using a false representation or deceptive means to collect or attempt to collect any debt or to obtain any information concerning a consumer

- e. Violation of § 1692f by the collection of any amount (including interest) that are not permitted by law

23 36. As a result of the defendants' violations of the FDCPA, Plaintiff and the
24 class are entitled to an award of maximum statutory damages, costs and reasonable
25 attorney's fees.

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1 COUNT 2

2 Against all Defendants except William I. Goldsmith

3 Violating the California Rosenthal Fair Debt Collection Practices Act

4 37. Paragraphs under the headings Parties, Facts Supporting Each Claim,
5 and Class Allegations are incorporated by reference.

6 38. Plaintiff incorporates the violations of the FDCPA, as alleged above,
7 pursuant to Cal. Civil Code § 1788.17.

8
9 WHEREFORE, plaintiff prays for judgment as follows:

10 1. Certify this matter to proceed as a class action;

11 2. Pursuant to 15 U.S.C. § 1692k(a), an award of the maximum statutory
12 damages, costs and reasonable attorney's fees;

13 3. Pursuant to Cal. Civil Code §§ 1788.17 and 1788.32, an award of the
14 maximum statutory damages, costs and reasonable attorneys' fees;

15 4. And for such other and further relief as the court deems proper.

16
17 DEMAND FOR JURY TRIAL

18 Plaintiff demands trial by jury in this action.

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20 Dated: November 30, 2015

21 CONSUMER LAW OFFICE OF
ROBERT STEMPLER, APC

22
23 /s/ Robert Stempler
24 By: Robert Stempler,
Counsel for Plaintiff

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1 TABLE OF EXHIBITS
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3 Exhibit

4 A. Collection letter dated September 9, 2015
5 B. Application for Renewal of Judgment
6 C. Memorandum of Costs After Judgment, Acknowledgment of Credit, and
7 Declaration of Accrued Interest
8 D. Notice of Renewal of Judgment
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